

STATE OF TENNESSEE



DAVID H. LILLARD, JR.
STATE TREASURER

TREASURY DEPARTMENT

STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0225

615.741.2956
David.Lillard@tn.gov

Sender's telephone: 615.770.1754
Sender's email: heather.iverson@tn.gov

February 8, 2019

Fiscal Review Committee
The Honorable Ron Travis, Chair
The Honorable Todd Gardenhire, Vice-Chair
8th Floor, Rachel Jackson Building
425 5th Avenue North
Nashville, Tennessee 37243

To the Distinguished Members of the Fiscal Review Committee,

The Department of Treasury respectfully requests to amend its contract with Deloitte Consulting LLP for the provision of post-implementation support services for the TCRS pension administration system, Concord. The Department seeks to exercise a one (1) year extension option and increase the maximum liability by \$200,000 (from \$3,284,640 to \$3,484,640). The scope of the contract is not changing. The Department seeks to extend the term of the contract so that the contractor can complete necessary support work for Concord.

Thank you for your consideration of this request. If you need additional information, please contact me.

Sincerely,

Heather Iverson,
Legal Services Director

Supplemental Documentation Required for Fiscal Review Committee

| | | | | | |
|--|-----------------|--|--|----|----|
| *Contact Name: | Heather Iverson | *Contact Phone: | 615-770-1754 | | |
| *Presenter's name(s): | Steve Summerall | | | | |
| Edison Contract Number: <i>(if applicable)</i> | 51307 | RFS Number: <i>(if applicable)</i> | | | |
| *Original or Proposed Contract Begin Date: | August 1, 2016 | *Current or Proposed End Date: | July 31, 2020 | | |
| Current Request Amendment Number: <i>(if applicable)</i> | | One | | | |
| Proposed Amendment Effective Date: <i>(if applicable)</i> | | May 1, 2019 | | | |
| *Department Submitting: | | Department of Treasury | | | |
| *Division: | | Tennessee Consolidated Retirement System | | | |
| *Date Submitted: | | April 8, 2019 | | | |
| *Submitted Within Sixty (60) days: | | Yes | | | |
| <i>If not, explain:</i> | | | | | |
| *Contract Vendor Name: | | Deloitte Consulting LLP | | | |
| *Current or Proposed Maximum Liability: | | \$4,137,440.00 | | | |
| *Estimated Total Spend for Commodities: | | | | | |
| *Current or Proposed Contract Allocation by Fiscal Year: <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i> | | | | | |
| FY: 2017 | FY: 2018 | FY: 2019 | FY: 2020 | FY | FY |
| \$1,056,000 | \$1,194,240 | \$956,520 | \$77,880 | \$ | \$ |
| *Current Total Expenditures by Fiscal Year of Contract: <i>(attach backup documentation from Edison)</i> | | | | | |
| FY: 2017 | FY: 2018 | FY: 2019 | FY: | FY | FY |
| \$962,385 | \$1,505,805.50 | \$710,582 | \$ | \$ | \$ |
| IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent: | | | For FY 2017, the allocation was greater than the expenditure based on the fluctuating demands of the system project, which was then reflected in the TCRS administrative expenses. | | |
| IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision: | | | No funds were carried forward. The funding for this Contract comes from TCRS's authority to pay for administrative expenses on an as-needed basis. | | |
| IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding | | | The Department based its expenditure projections on estimated need, but actual use varies depending on the needs of the | | |

Supplemental Documentation Required for Fiscal Review Committee

| | | | |
|--|------|---|--|
| was acquired to pay the overage: | | program. The total contract value has not been exceeded, though more of the work has thus far been concentrated in FY 2018. | |
| *Contract Funding Source/Amount: | | | |
| State: | | Federal: | |
| <i>Interdepartmental:</i> | 100% | <i>Other:</i> | |
| If “ <i>other</i> ” please define: | | | |
| If “ <i>interdepartmental</i> ” please define: | | Employers contribute on a monthly basis for the cost of participation of their employees in TCRS. A portion of the contributions are allocated for administrative expenses, such as supporting the pension administration computer system. | |
| Dates of All Previous Amendments or Revisions: <i>(if applicable)</i> | | Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i> | |
| | | | |
| | | | |
| | | | |
| Method of Original Award: <i>(if applicable)</i> | | Sole Source Special Contract Request | |
| *What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined? | | The projected costs of the service for the initial three (3) year term of the contract were \$3,284,640. The Department based its expenditure projections by estimating the number of hours of support services that could be required in the years immediately following implementation of the Concord system. | |
| *List number of other potential vendors who could provide this good or service; efforts to identify other competitive procurement alternatives; and the reason(s) a sole-source contract is in the best interest of the State. | | | |

Payments against a Contract FY 2017

| Unit | Sum Merchandise Amt | Edison Contract ID | Vendor ID |
|-------|---------------------|--------------------------|------------|
| 30901 | 60520.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 61782.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 89400.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 90900.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 96652.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 101491.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 102900.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 106430.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 118662.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 133648.000 | 000000000000000000051307 | 0000135163 |

| | |
|----------------------|---------------------|
| FY 2017 Total | \$962,385.00 |
|----------------------|---------------------|

Payments against a Contract in FY 2018

| Unit | Sum Merchandise Amt | Edison Contract ID | Vendor ID |
|-------|---------------------|--------------------------|------------|
| 30901 | 82524.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 95472.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 97032.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 103200.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 104208.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 117936.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 121908.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 122148.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 132739.500 | 000000000000000000051307 | 0000135163 |
| 30901 | 157888.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 182360.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 188390.000 | 000000000000000000051307 | 0000135163 |

| | |
|----------------------|-----------------------|
| FY 2018 Total | \$1,505,805.50 |
|----------------------|-----------------------|

Payments against a Contract in FY 2019*

| Unit | Sum Merchandise Amt | Edison Contract ID | Vendor ID |
|-------|---------------------|--------------------------|------------|
| 30901 | 37490.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 50856.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 51508.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 110514.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 116382.000 | 000000000000000000051307 | 0000135163 |
| 30901 | 138216.000 | 000000000000000000051307 | 0000135163 |

| | |
|-----------------------|---------------------|
| FY 2019 Total* | \$504,966.00 |
|-----------------------|---------------------|

*Totals for FY 2019 do not include pending payments

| Vendor Name | Type | PO ID | Voucher ID | Invoice | Date | Fiscal Year |
|-----------------|------|------------|------------|-------------|-----------|-------------|
| Deloitte Consul | DFA | 0000006863 | 00063409 | 8002687627 | 9/26/2016 | 2017 |
| Deloitte Consul | DFA | 0000007144 | 00065575 | 8002791921 | 2/13/2017 | 2017 |
| Deloitte Consul | DFA | 0000007332 | 00066028 | 8002833724 | 4/12/2017 | 2017 |
| Deloitte Consul | DFA | 0000007508 | 00066956 | 8002875160 | 6/2/2017 | 2017 |
| Deloitte Consul | DFA | 0000007428 | 00066648 | 8002859275 | 5/12/2017 | 2017 |
| Deloitte Consul | DFA | 0000006989 | 00064386 | 8002745980 | 12/1/2016 | 2017 |
| Deloitte Consul | DFA | 0000007295 | 00065812 | 8002815751 | 3/16/2017 | 2017 |
| Deloitte Consul | DFA | 0000006909 | 00063748 | 80027279075 | 11/4/2016 | 2017 |
| Deloitte Consul | DFA | 0000007060 | 00064890 | 8002770856 | 1/17/2017 | 2017 |
| Deloitte Consul | DFA | 0000006854 | 00063403 | 8002704450 | 9/26/2016 | 2017 |

| Vendor Name | Type | PO ID | Voucher ID | Invoice | Date | Fiscal Year |
|-----------------|------|------------|------------|------------|------------|-------------|
| Deloitte Consul | DFA | 0000007779 | 00069593 | 8002934572 | 9/11/2017 | 2018 |
| Deloitte Consul | DFA | 0000007927 | 00070199 | 8002956383 | 10/23/2017 | 2018 |
| Deloitte Consul | DFA | 0000007996 | 00070690 | 8002972493 | 11/3/2017 | 2018 |
| Deloitte Consul | DFA | 0000007646 | 00069003 | 8002905780 | 8/28/2017 | 2018 |
| Deloitte Consul | DFA | 0000007711 | 00068594 | 8002917757 | 8/9/2017 | 2018 |
| Deloitte Consul | DFA | 0000008681 | 00077632 | 8000099894 | 5/18/2018 | 2018 |
| Deloitte Consul | DFA | 0000008544 | 00077118 | 8000042240 | 4/18/2018 | 2018 |
| Deloitte Consul | DFA | 0000008542 | 00077117 | 8000067207 | 4/18/2018 | 2018 |
| Deloitte Consul | DFA | 0000008295 | 00073854 | 8000003139 | 2/9/2018 | 2018 |
| Deloitte Consul | DFA | 0000008408 | 00075373 | 8000022995 | 3/16/2018 | 2018 |
| Deloitte Consul | DFA | 0000008193 | 00073228 | 8003020515 | 1/11/2018 | 2018 |
| Deloitte Consul | DFA | 0000008141 | 00071830 | 8003005841 | 12/15/2017 | 2018 |

| Vendor Name | Type | PO ID | Voucher ID | Invoice | Date | Fiscal Year |
|-----------------|------|------------|------------|--------------|------------|-------------|
| Deloitte Consul | DFA | 0000009281 | 00084917 | INV-90001711 | 12/7/2018 | 2019 |
| Deloitte Consul | DFA | 0000009190 | 00083595 | INV-90001672 | 11/9/2018 | 2019 |
| Deloitte Consul | DFA | 0000009142 | 00082581 | INV-90001631 | 10/12/2018 | 2019 |
| Deloitte Consul | DFA | 0000008962 | 00080087 | INV-90001557 | 8/23/2018 | 2019 |
| Deloitte Consul | DFA | 0000009141 | 00082580 | INV-90001627 | 10/12/2018 | 2019 |
| Deloitte Consul | DFA | 0000008936 | 00079926 | INV-90001534 | 8/3/2018 | 2019 |

Amendment Request


This request form is not required for amendments to grant contracts. Route a completed request, as one file in PDF format, via e-mail attachment sent to: Agsprs.Agsprs@tn.gov

APPROVED

CHIEF PROCUREMENT OFFICER

DATE

| | | |
|--|--|--|
| Agency request tracking # | 30901-33117 | |
| 1. Procuring Agency | Department of Treasury | |
| 2. Contractor | Deloitte Consulting, LLP | |
| 3. Edison contract ID # | 51307 | |
| 4. Proposed amendment # | 1 | |
| 5. Contract's Original Effective Date | August 1, 2016 | |
| 6. Current end date | July 1, 2019 | |
| 7. Proposed end date | July 1, 2020 | |
| 8. Current Maximum Liability or Estimated Liability | \$ 3,284,640.00 | |
| 9. Proposed Maximum Liability or Estimated Liability | \$ 4,137,440.00 | |
| 10. Strategic Technology Solutions Pre-Approval Endorsement Request – information technology service (N/A to THDA) | <input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached | |
| 11. eHealth Pre-Approval Endorsement Request – health-related professional, pharmaceutical, laboratory, or imaging | <input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached | |
| 12. Human Resources Pre-Approval Endorsement Request – state employee training service | <input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached | |
| 13. Explain why the proposed amendment is needed | | |
| <p>In or around 2014, Deloitte Consulting, LLP ("Deloitte") implemented the Concord System for Tennessee Consolidated Retirement System ("TCRS") as the retirement system's recordkeeper for active member and retiree service, compensation and benefits. Subsequent to this implementation, Deloitte has continued to provide support services to TCRS to support any enhancements or upgrades that need to be built into Concord to assist TCRS with its retirement system administration. Deloitte also supports TCRS in resolving any ongoing maintenance issues with Concord to refine its different functionalities. TCRS would like to continue its relationship with Deloitte by having Deloitte continue its support services for Concord. The Department's TCRS and</p> | | |

| | |
|--|-------------|
| Agency request tracking # | 30901-33117 |
| <p>Information System's staff will continue to establish more efficient and effective functions within Concord to best serve retirement system members and retirees. Because Deloitte assisted the Department in the establishment of the Concord system and has provided the Department with post implementation support for approximately five (5) years, it is uniquely qualified to seamlessly continue its support to the Department.</p> | |
| <p>14. If the amendment involves a change in Scope, describe efforts to identify reasonable, competitive, procurement alternatives to amending the contract.</p> <p>The amendment does not change the Contract scope of services.</p> | |
| <p>Signature of Agency head or authorized designee, title of signatory, and date (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document)</p> <p> Apr 12, 2019</p> | |

Approved for signature by ac 4/2/19

**AMENDMENT ONE
OF CONTRACT 51307**

This Amendment is made and entered by and between the State of Tennessee, Department of Treasury, hereinafter referred to as the "State" and Deloitte Consulting LLP, hereinafter referred to as the "Contractor." For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract (the "Contract") is hereby amended as follows:

1. Section A.3.d. of the Contract is amended by deleting the subsection in its entirety and substituting it instead with the following, so that as amended, it shall read:

Upon the written agreement of the parties and without requiring an amendment to the Contract or a change order, the Contractor shall provide the State with additional resources at the request of the State. Payment for the additional resources shall be paid pursuant to Section C.3.b. in the Contract.

2. Section B.1 of the Contract is amended by deleting the section in its entirety and substituting it instead with the following, so that as amended, it shall read:

This Contract shall be effective on August 1, 2016 ("Effective Date") and extend for a period of forty-eight (48) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

3. Section B.2. of the Contract is amended by deleting the section in its entirety and substituting instead the following, so that as amended, it shall read:

Renewal Options. This Contract may be renewed upon satisfactory completion of the Term. The State reserves the right to execute up to one (1) renewal option under the same terms and conditions for a period not to exceed twelve (12) months each by the State, at the State's sole option. In no event, however, shall the maximum term, including all renewals or extensions, exceed a total of sixty (60) months. All renewals will be effectuated via a mutually agreed to amendment pursuant to Section D.3 of this Contract.

4. Section C.1. of the Contract is amended by deleting the language and numbers "three million two hundred eight-four thousand six hundred forty dollars (\$3,284,640)" and replacing it with the language and numbers "four million one hundred thirty-seven thousand four hundred forty dollars (\$4,137,440)."

5. Required Approvals. The State is not bound by this Amendment until it is signed by the Contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

6. Amendment Effective Date. The revisions set forth herein shall be effective May 1, 2019. All other terms and conditions of the Contract not expressly amended herein shall remain in full force and effect.

Signature page follows

IN WITNESS WHEREOF,

DELOITTE CONSULTING LLP:

SIGNATURE

DATE

PRINTED NAME AND TITLE OF SIGNATORY (above)

STATE OF TENNESSEE, DEPARTMENT OF TREASURY:

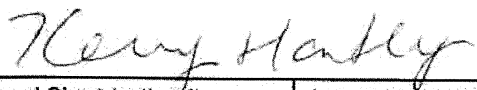
DAVID H. LILLARD, JR., STATE TREASURER

DATE



CONTRACT

(fee-for-goods or services contract with an individual, business, non-profit, or governmental entity of another state)

| | | | | | |
|---|----------------------------------|---|-----------------------------------|--------------|------------------------------|
| Begin Date August 1, 2016 | End Date July 31, 2019 | Agency Tracking # 30901-33117 | Edison Record ID 51307 | | |
| Contractor Legal Entity Name Deloitte Consulting LLP | | | Edison Vendor ID 135163 | | |
| Goods or Services Caption (one line only) Post implementation support services for the TCRS pension administration system, Concord | | | | | |
| Contractor <input checked="" type="checkbox"/> Contractor | | CFDA # | | | |
| Funding — | | | | | |
| FY | State | Federal | Interdepartmental | Other | TOTAL Contract Amount |
| 2017 | | | \$ 1,056,000 | | \$ 1,056,000 |
| 2018 | | | \$ 1,194,240 | | \$ 1,194,240 |
| 2019 | | | \$ 956,520 | | \$ 956,520 |
| 2020 | | | \$ 77,880 | | \$ 77,880 |
| | | | | | |
| TOTAL: | | | \$ 3,284,640 | | \$ 3,284,640 |
| Contractor Ownership Characteristics: <input type="checkbox"/> Minority Business Enterprise (MBE): African American, Asian American, Hispanic American, Native American <input type="checkbox"/> Woman Business Enterprise (WBE) <input type="checkbox"/> Tennessee Service Disabled Veteran Enterprise (SDVBE) <input type="checkbox"/> Tennessee Small Business Enterprise (SBE): \$10,000,000.00 averaged over a three (3) year period or employs no more than ninety-nine (99) employees. <input type="checkbox"/> Other: | | | | | |
| Selection Method & Process Summary (mark the correct response to confirm the associated summary) <input type="checkbox"/> Competitive Selection <input checked="" type="checkbox"/> Other Sole Source; Special Contract Request approved 7/7/2016 | | | | | |
| Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.  | | | | | |
| Speed Chart (optional) | | Account Code (optional) | | | |

**CONTRACT
BETWEEN THE STATE OF TENNESSEE
DEPARTMENT OF TREASURY
AND
DELOITTE CONSULTING LLP**

This Contract, by and between the State of Tennessee, Department of Treasury ("State") and Deloitte Consulting LLP ("Contractor"), is for the provision of post-implementation support services for the Tennessee Consolidated Retirement System ("TCRS") pension administration system, "Concord", as further defined in the "SCOPE." State and Contractor may be referred to individually as a "Party" or collectively as the "Parties" to this Contract.

The Contractor is a limited liability partnership.

Contractor Place of Incorporation or Organization: State of Delaware

Contractor Edison Registration ID # 135163

A. SCOPE:

- A.1. The Contractor shall provide all goods or services and deliverables as required, described, and detailed below and shall meet all service and delivery timelines as specified by this Contract.
- A.2. The Contractor agrees to perform support services as requested by the State for Concord, the State's integrated, browser-based pension administration system for TCRS. Such support services shall be performed by the personnel described in Section A.3, subject to the availability of those resources and prioritization of the activities to be performed. Said services may include the following:
- a. Assisting the State with development, architecture, and design within the implemented Concord system.
 - b. Advising the State of functionality and capacity of the Concord system and strategy for completion of goals for fullest utilization of the Concord system's capabilities.
 - c. Providing guidance to the State in its development of internal staff competence within the Concord system environment for long-term use.
 - d. Providing general support across the Concord system for areas including, production support, enhancements, data cleanup, upgrades, third party administrator rollout and new defect correction.
- A.3. Support Team.
- a. Contractor shall provide four (4) support team members to the State for the initial six (6) months of the Term. Such support team members shall include those identified by the Contractor and approved by the State and shall have experience with the Deloitte Pension Administration Solution. Such support team members shall be available as follows:
 - i. Three (3) support team members, who shall be based in Camp Hill, Pennsylvania, shall travel to Nashville, Tennessee, to provide onsite assistance to the State for one (1) week per month. Travel to the State's site shall begin on Monday morning and conclude on Thursday evening. The fourth support team member shall be a USI (India) based resource.
 - ii. All support team members will provide services under this Contract during the standard hours for their assigned location, with exceptions approved by the Contractor. Mutually agreed to Services requested by the State necessitating after-hours and weekend work will be charged at the rate identified in Section C.3.d.
 - iii. All support team members will be available for participation in meetings, conference calls, and other project activities as requested by the State.

- iv. All support team members shall remain assigned to the State for the initial six (6) months of the Term.
 - b. Thirty (30) days prior to the expiration of the initial six (6) months of the Term, the State shall:
 - i. Provide written notice to the Contractor of termination pursuant to Section D.5; or
 - ii. Provide written notice to the Contractor of its desire to determine support team terms on a month-to-month, rather than six (6) month, basis. Support team rates under such terms shall be as identified in Section C.3.b. A month-to-month support arrangement will be subject to mutual agreement and the rates designated for such in C.3. below. The month-to-month arrangement shall continue until such time as a future notice is issued under Section A.3.b above or upon issuance of written notice from Contractor that it shall stop providing the month-to-month support
 - iii. Provide written notice to the Contractor requesting an alternate support team size and/or availability; provided, that use of any payment rates that are not identified in the Contract can only be effectuated through a duly executed Amendment and further provided that all alternate support arrangements must be mutually agreed to in writing; or
 - iv. Allow the current support team terms to continue for another six (6) month period, which shall occur if notice under Sections A.3.b.i-iii is not provided.
 - c. The Contractor may replace support team members after the initial six (6) months of the Term. Where the support is continued under Section A.3.b.iv, the Contractor may replace support team members and at the end of each six (6) month period, upon written notification to the State; provided, that all support team members provided by the Contractor shall have experience with the Deloitte Pension Administration Solution. Where support is continued under Sections A.3.b.ii or iii, Contractor may replace support team members upon written notification to the State provided that all support team members have experience with the Deloitte Pension Administration Solution.
 - d. Upon written mutual agreement, the Contractor shall provide additional resources for changes upon request by the State. The State shall provide the Contractor with the names of authorized requestors for such services. Changes shall be memorialized as described in Section A.4. below.
- A.4. Change Orders. The State may, at its sole discretion and with written notice to the Contractor, request changes in the Scope that are necessary but were inadvertently unspecified in this Contract.
- a. Change Order Creation—After receipt of a written request for additional services from the State, the Contractor shall respond to the State, within a maximum of ten (10) business days, with a written proposal for completing the service. Contractor's proposal must specify:
 - (1) the effect, if any, of implementing the requested change(s) on all other services required under this Contract;
 - (2) the specific effort involved in completing the change(s);
 - (3) the expected schedule for completing the change(s);
 - (4) the maximum number of person hours required for the change(s); and
 - (5) the maximum cost for the change(s)— this maximum cost shall in no instance exceed the product of the person hours required multiplied by the appropriate payment rate proposed for such work.

The Contractor shall not perform any additional service until the State has approved the proposal. If approved, the State will sign the proposal, and it shall constitute a Change Order between the Contract Parties pertaining to the specified change(s) and shall be incorporated, hereby, as a part of this Contract. All Change Orders are subject to written mutual agreement.

b. Change Order Performance— Subsequent to creation of a Change Order, the Contractor shall complete the required services.

c. Change Order Remuneration— All work performed pursuant to an approved Change Order, without a formal amendment of this Contract, shall be remunerated in accordance with and further limited by Contract Section C.3.c., PROVIDED THAT, the State shall be liable to the Contractor only for the cost of the actual goods or services provided to complete the necessary work, not to exceed the maximum cost for the change detailed in the Change Order. In no instance shall the State be liable to the Contractor for any amount exceeding the maximum cost specified by the Change Order authorizing the goods or services. The Contractor shall invoice the State in accordance with the relevant provisions of this Contract. Contractor shall have no obligation to perform any services under a Change Order once fees/hours expended reach the maximum authorized cost under the Change Order. Upon mutual agreement, the maximum authorized cost under a Change Order may be increased to allow continued performance.

A.5. Cooperation. In addition to the State's responsibilities as set forth in this Contract, the State shall cooperate with the Contractor in the performance of the services hereunder, including, (a) providing the Contractor with adequate working space, equipment, and facilities and timely access to data, information, and personnel of the State; (b) providing personnel having appropriate skills to perform their assigned tasks and duties in a competent and timely fashion; (c) providing a stable, fully functional system infrastructure environment which will support the Services and allow the Contractor and the State to work productively; and (d) promptly notifying the Contractor of any issues, concerns, or disputes with respect to the services. The State shall be solely responsible for, among other things (a) the performance of its personnel and agents; (b) the accuracy and completeness of all data and information provided to the Contractor for purposes of the performance of the services; (c) making all management decisions and performing all management functions; and (d) designating a competent management member to oversee the services. The Contractor's performance is dependent upon the State's timely and effective satisfaction of the State's responsibilities under this Contract and timely decisions and approvals of the State in connection with the services.

A.6. **Limitation on Warranties. THIS IS A SERVICES ENGAGEMENT. DELOITTE CONSULTING WARRANTS THAT IT SHALL PERFORM THE SERVICES IN GOOD FAITH AND IN A PROFESSIONAL MANNER. DELOITTE CONSULTING DISCLAIMS ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

B. TERM OF CONTRACT:

B.1. This Contract shall be effective on August 1, 2016 ("Effective Date") and extend for a period of thirty-six (36) months after the Effective Date ("Term"), as applied via A.3.b. The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

B.2. **Renewal Options.** This Contract may be renewed upon satisfactory completion of the Term. The State reserves the right to execute up to two (2) renewal options under the same terms and conditions for a period not to exceed twelve (12) months each by the State, at the State's sole option. In no event, however, shall the maximum term, including all renewals or extensions, exceed a total of sixty (60) months. All renewals will be effectuated via a mutually agreed to amendment pursuant to Section D.3. of this Contract.

C. PAYMENT TERMS AND CONDITIONS:

- C.1. **Maximum Liability.** In no event shall the maximum liability of the State under this Contract exceed three million two hundred eighty-four thousand six hundred forty dollars (\$3,284,640) ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.
- C.2. **Compensation Firm.** The payment methodology in Section C.3. of this Contract shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractor.
- C.3. **Payment Methodology.** The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in Section C.1.
- a. The Contractor's compensation shall be contingent upon the provision of services as set forth in Section A in accordance with the terms of this Contract.
- b. The Contractor shall be compensated based upon the following payment methodology:

| Services Description | Amount (per compensable increment) | | | | | |
|--|---------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 8/1/2016- 5/31/2017 | 6/1/2017- 5/31/2018 | 6/1/2018- 5/31/2019 | 6/1/2019- 5/31/2020 | 6/1/2020- 5/31/2021 | 6/1/2021- 7/31/2021 |
| Support Services described in A.2. utilizing the resources described in A.3.a. | \$150/hour | \$156/hour | \$163/hour | \$170/hour | \$177/hour | \$185/hour |
| Support Services described in A.2. under the conditions described in A.3.b.ii. | \$165/hour | \$172/hour | \$180/hour | \$187/hour | \$195/hour | \$204/hour |

*Rates after 7/31/2019 applicable only if the State exercises its option to extend pursuant to Section B.2.

- c. Notwithstanding the foregoing, the State agrees to pay to Contractor for all authorized hours worked within thirty (30) days of early termination of this Contract by either Party as permitted under the Contract.
- d. The Contractor shall be compensated for changes requested and performed pursuant to Contract Section A.4 without a formal amendment of this contract based upon the payment rates detailed in the schedule below and as agreed pursuant to Section A.4 PROVIDED THAT compensation to the Contractor for such "change order" work shall not exceed seven percent (7%) of the sum of milestone payment rates detailed in Section C.3.b. above. If, at any point during the Term, the State determines that the cost of necessary changes would exceed the maximum amount, the State may amend this Contract to address the need.

| Service Description | Amount (per compensable increment) | | | | | |
|---|---------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 8/1/2016- 5/31/2017 | 6/1/2017- 5/31/2018 | 6/1/2018- 5/31/2019 | 6/1/2019- 5/31/2020 | 6/1/2020- 5/31/2021 | 6/1/2021- 7/31/2021 |
| Changes pursuant to Section A.4., utilizing Deloitte USI resources. | \$73/hour | \$76/hour | \$80/hour | \$84/hour | \$88/hour | \$92/hour |
| Changes pursuant to Section A.4., utilizing Deloitte US resources | \$218/hour | \$227/hour | \$237/hour | \$247/hour | \$257/hour | \$268/hour |

*Rates after 7/31/2019 applicable only if the State exercises its option to extend pursuant to Section B.2.

C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel time, travel expenses, meals, or lodging.

C.5. Invoice Requirements. The Contractor shall invoice the State only for services provided in accordance with the terms of this Contract at the amounts stipulated in Section C.3., above. Contractor shall submit invoices and necessary supporting documentation on a monthly basis after services have been provided to the following address:

State of Tennessee Department of Treasury
Division of Administrative Services
Budget Officer
14th Floor, Andrew Jackson State Office Building
502 Deaderick Street
Nashville, TN 37243

a. Each invoice, on Contractor's letterhead, shall clearly and accurately detail all of the following information (calculations must be extended and totaled correctly):

- (1) Invoice number (assigned by the Contractor);
- (2) Invoice date;
- (3) Contract number (assigned by the State);
- (4) Customer account name: Tennessee Department of Treasury
- (5) Customer account number (assigned by the Contractor to the above-referenced Customer);
- (6) Contractor name;
- (7) Contractor Tennessee Edison registration ID number;
- (8) Contractor contact for invoice questions (name, phone, or email);
- (9) Contractor remittance address;
- (10) Description of delivered goods or services provided and invoiced, including identifying information as applicable;
- (11) Number of delivered or completed units, increments, hours, or days as applicable, of each good or service invoiced;
- (12) Applicable payment methodology (as stipulated in Section C.3.) of each good or service invoiced;
- (13) Amount due for each compensable unit of good or service; and
- (14) Total amount due for the invoice period.

b. Contractor's invoices shall:

- (1) Only include charges for goods delivered or services provided as described in Section A and in accordance with payment terms and conditions set forth in Section C;

- (2) Only be submitted for goods delivered or services completed and shall not include any charge for future goods to be delivered or services to be performed;
 - (3) Not include Contractor's taxes, which includes without limitation Contractor's sales and use tax, excise taxes, franchise taxes, real or personal property taxes, or income taxes; and
 - (4) Include shipping or delivery charges only as authorized in this Contract.
- c. The timeframe for payment (or any discounts) begins only when the State is in receipt of an invoice that meets the minimum requirements of this Section C.5.
- C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to Invoice Reductions or Deductions per Sections C.7 and C.8 below or to object to or question any payment, invoice, or other matter.
- C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment that is determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, to not constitute authorized or in scope work.
- C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee, any amounts that are due and payable to the State of Tennessee by the Contractor.
- C.9. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following, properly completed documentation.
 - a. The Contractor shall complete, sign, and present to the State the "Authorization Agreement for Automatic Deposit Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once this form is received by the State, payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee, may be made by ACH; and
 - b. The Contractor shall complete, sign, and return to the State the State-provided W-9 form. The taxpayer identification number on the W-9 form must be the same as the Contractor's Federal Employer Identification Number or Social Security Number referenced in the Contractor's Edison registration information.

D. MANDATORY TERMS AND CONDITIONS:

- D.1. Required Approvals. The State is not bound by this Contract until it is duly approved by the Parties and all appropriate State officials in accordance with applicable Tennessee laws and regulations. Depending upon the specifics of this Contract, this may include approvals by the Commissioner of Finance and Administration, the Commissioner of Human Resources, the Comptroller of the Treasury, and the Chief Procurement Officer. Approvals shall be evidenced by a signature or electronic approval.
- D.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective Party at the appropriate mailing address, facsimile number, or email address as stated below or any other address provided in writing by a Party.

The State:

Steve Summerall, Assistant Treasurer, Program Services
State of Tennessee, Department of Treasury
502 Deaderick Street, 14th Floor

Nashville, TN 37243
Steve.Summerall@tn.gov
Telephone # 615-253-4115

The Contractor:

Michael Andres, Director
Deloitte Consulting LLP
424 Church St.
Ste. 2400
Nashville, TN 37219
mandres@deloitte.com
Telephone # (502) 644-7510
FAX # (513) 362-6929

All instructions, notices, consents, demands, or other communications shall be considered effective upon receipt or recipient confirmation as may be required.

- D.3. Modification and Amendment. This Contract may be modified only by a written amendment signed by all Parties and approved by all applicable State officials.
- D.4. Subject to Funds Availability. The Contract is subject to the appropriation and availability of State or federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State shall promptly notify Contractor, and the State reserves the right to terminate this Contract upon as much prior written notice to the Contractor as is reasonably practicable. The State's exercise of its right to terminate this Contract shall not constitute a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. If the State terminates this Contract due to lack of funds availability, the Contractor shall be entitled to compensation for all authorized services performed as of the termination date. Should the State exercise its right to terminate this Contract due to unavailability of funds, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages of any description or amount beyond the aforesaid compensation for services.
- D.5. Termination for Convenience. The State may terminate this Contract for convenience without cause and for any reason. The State shall give the Contractor at least thirty (30) days written notice before the termination date. The Contractor shall be paid for all services performed as of the termination date. In no event shall the State be liable to the Contractor for compensation for any services not requested by the State, nor performed by the Contractor. In no event shall the State's exercise of its right to terminate this Contract for convenience relieve the Contractor of any liability to the State for any damages or claims arising under this Contract.
- D.6. Termination for Cause. If a Party ("Breaching Party") fails to properly perform its obligations under this Contract, or if a Party materially violates any terms of this Contract ("Breach Condition"), the other Party ("Non-breaching Party") may provide written notice to the Breaching Party specifying the Breach Condition. If within thirty (30) days of notice, the Breaching Party has not cured the Breach Condition, the Non-breaching Party may terminate the Contract. In the event the Non-breaching Party is the State, the State may withhold payments in excess of compensation for completed services or provided goods. The Breaching Party shall not be relieved of liability to the Non-breaching Party for damages sustained by virtue of any breach of this Contract, and the Non-breaching Party may seek other remedies allowed at law or in equity for breach of this Contract.
- D.7. Assignment and Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the goods or services provided under this Contract without the prior written approval of the State. Notwithstanding any use of the approved subcontractors, the Contractor shall be the prime contractor and responsible for compliance with all terms and conditions of this Contract. The State reserves the right to request additional information or impose additional

terms and conditions before approving an assignment of this Contract in whole or in part or the use of subcontractors in fulfilling the Contractor's obligations under this Contract.

- D.8. Conflicts of Interest. The Contractor warrants that no part of the Contractor's compensation shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed under this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six (6) months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six (6) months has been, an employee of the State of Tennessee.

- D.9. Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal or state law. The Contractor shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

- D.10. Prohibition of Illegal Immigrants. The requirements of Tenn. Code Ann. § 12-3-309 addressing the use of illegal immigrants in the performance of any contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

- a. The Contractor agrees that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment 1, semi-annually during the Term. If the Contractor is a party to more than one contract with the State, the Contractor may submit one attestation that applies to all contracts with the State. All Contractor attestations shall be maintained by the Contractor and made available to State officials upon request.
- b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the Term, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from subcontractors shall be maintained by the Contractor and made available to State officials upon request.
- c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Contractor's records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
- d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Tenn. Code Ann. § 12-3-309 for acts or omissions occurring after its effective date.
- e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not: (i) a United States citizen; (ii) a Lawful Permanent Resident; (iii) a person whose physical presence in the United States is authorized; (iv) allowed by the federal Department of Homeland Security and who, under federal immigration laws or regulations, is authorized to be employed in the U.S.; or (v) is otherwise authorized to provide services under the Contract.

- D.11. Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor that support Contractor's invoices for services performed shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with sound accounting principles.
- D.12. Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.
- D.13. Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.
- D.14. Strict Performance. Failure by any Party to this Contract to require, in any one or more cases, the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the Parties.
- D.15. Independent Contractor. The Parties shall not act as employees, partners, joint venturers, or associates of one another. The Parties are independent contracting entities. Nothing in this Contract shall be construed to create an employer/employee relationship or to allow either Party to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one Party are not employees or agents of the other Party.
- D.16. Patient Protection and Affordable Care Act. The Contractor agrees that it will be responsible for compliance with the Patient Protection and Affordable Care Act ("PPACA") with respect to itself and its employees, including any obligation to report health insurance coverage, provide health insurance coverage, or pay any financial assessment, tax, or penalty for not providing health insurance.
- D.17. Limitation of State's Liability. The State shall have no liability arising from this Contract except as specifically provided in this Contract. In no event will the State be liable to the Contractor or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, money, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Contract or otherwise. The State's total liability under this Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall under no circumstances exceed the Maximum Liability. This limitation of liability is cumulative and not per incident.
- D.18. Limitation of Contractor's Liability. To the extent permitted by applicable law, in no event will the Contractor be liable to the State or any other party for any lost revenues, lost profits, loss of business, time, money, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Contract or otherwise. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to one and one half (1 1/2) times the fees paid to the Contractor by the State under this Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event, except to the extent permitted by applicable law, shall this Section limit the liability of the Contractor for (i) intellectual property or any Contractor indemnity obligations for infringement for third-party intellectual property rights; (ii) any claims covered by any specific provision in the Contract

providing for liquidated damages; or (iii) any claims for intentional torts, criminal acts, fraudulent conduct, or omissions that result in personal injuries or death.

- D.19. Hold Harmless. The Contractor agrees to indemnify, defend and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity for bodily injury or death or damage to real or tangible personal property to the extent directly and proximately caused by as a result of acts, omissions, or the negligence or intentional misconduct on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State to enforce the terms of this section of the Contract.

The State shall give the Contractor written notice of any such claim or suit, and the Contractor shall have full right and obligation to conduct the Contractor's own defense thereof, together with reasonable cooperation from the State. The State agrees to allow the Contractor to participate in the defense and settlement of any such claim. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106. The State shall notify the Contractor of the settlement of any such suit or claim made against the State.

- D.20. HIPAA Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations.

a. Contractor warrants to the State that it is familiar with the requirements of HIPAA and its accompanying regulations, and will comply with all applicable HIPAA requirements in the course of this Contract.

b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by HIPAA and its regulations, in the course of performance of the Contract so that both parties will be in compliance with HIPAA.

c. The State and the Contractor will sign documents, subject to mutual agreement on the terms, including but not limited to business associate agreements, as required by HIPAA and that are reasonably necessary to keep the State and Contractor in compliance with HIPAA. This provision shall not apply if information received by the State under this Contract is NOT "protected health information" as defined by HIPAA, or if HIPAA permits the State to receive such information without entering into a business associate agreement or signing another such document.

- D.21. Tennessee Consolidated Retirement System. Subject to statutory exceptions contained in Tenn. Code Ann. §§ 8-36-801, *et seq.*, the law governing the Tennessee Consolidated Retirement System ("TCRS"), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established under Tenn. Code Ann. §§ 8-35-101, *et seq.*, accepts State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the Term.

- D.22. Tennessee Department of Revenue Registration. The Contractor shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Contract.

D.23. Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
- b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
- c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
- d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.

D.24. Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Contract arising from a Force Majeure Event is not a default under this Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Contractor's representatives, suppliers, subcontractors, customers or business apart from this Contract is not a Force Majeure Event under this Contract. Contractor will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Contractor's performance longer than forty-eight (48) hours, the State may, upon notice to Contractor: (a) cease payment of the fees until Contractor resumes performance of the affected obligations; or (b) immediately terminate this Contract or any purchase order, in whole or in part, without further payment except for fees then due and payable. Contractor will not increase its charges under this Contract or charge the State any fees other than those provided for in this Contract as the result of a Force Majeure Event.

D.25. State and Federal Compliance. The Contractor shall comply with all applicable state and federal laws and regulations in the performance of this Contract.

D.26. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this Contract. The Contractor acknowledges and agrees that any rights, claims, or remedies against

the State of Tennessee or its employees arising under this Contract shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 - 407.

- D.27. Entire Agreement. This Contract is complete and contains the entire understanding between the Parties relating to its subject matter, including all the terms and conditions of the Parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the Parties, whether written or oral.
- D.28. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions of this Contract shall not be affected and shall remain in full force and effect. The terms and conditions of this Contract are severable.
- D.29. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
- D.30. Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below:
- a. any amendment to this Contract, with the latter in time controlling over any earlier amendments; and
 - b. this Contract with any attachments or exhibits, which includes Attachments 1 and 2;

E. SPECIAL TERMS AND CONDITIONS:

- E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, the special terms and conditions shall be subordinate to the Contract's other terms and conditions.
- E.2. Applicable Gifts and Solicitations Policy. The Contractor shall not offer to give, or give, any gift to any employee of the State or to any member of a Board, Commission or Committee administratively attached to the State that would violate the State's Gifts and Solicitations Policy, included as Attachment 2 to this Contract.

IN WITNESS WHEREOF,

DELOITTE CONSULTING LLP:

Michael M. Andres

7/14/2106

CONTRACTOR SIGNATURE

DATE

Michael Andres – Managing Director

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)


STATE OF TENNESSEE, DEPARTMENT OF TREASURY:

David H. Lillard, Jr.
DAVID H. LILLARD, JR., STATE TREASURER

July 14, 2016
DATE

Approved for signature by AA 7/14/16

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

| | | |
|--|---|--|
| SUBJECT CONTRACT NUMBER: | 51307 | |
| CONTRACTOR LEGAL ENTITY NAME: | Deloitte Consulting LLP | |
| FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number) |  | |

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

Michael M. Andres

CONTRACTOR SIGNATURE

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. Attach evidence documenting the individual's authority to contractually bind the Contractor, unless the signatory is the Contractor's chief executive or president.

Michael Andres – Managing Director

PRINTED NAME AND TITLE OF SIGNATORY

7/14/2016

DATE OF ATTESTATION

Attachment 2



Gifts and
Solicitations Contra

Gifts and Solicitations

No employee or any member of a Board, Commission or Committee administratively attached to the Department shall solicit, accept or agree to accept, directly or indirectly, on behalf themselves or their immediate family, any gift in violation of state law including, but not limited to, any gratuity, service, favor, entertainment, lodging, transportation, loan, loan guarantee rebate, money, any promise, obligation or contract for future awards or compensation or any other thing of monetary value, from any **individual** or entity that:

- Has, or is seeking to obtain, contractual or other business or financial relations with the Treasury Department or the Tennessee Consolidated Retirement System;
- Conducts operations or activities that are regulated by the Treasury Department;
- May bid on future procurement from the Department or a Board, Commission, or Committee administratively attached to the Department based on the employee's reasonable belief that the person or entity intends to submit a bid; or
- Has an interest that may be substantially affected by the performance or nonperformance of the employee's official duties.

Generally, gifts from a lobbyist or an employer of a lobbyist are prohibited; however, the following are exceptions to the general gift prohibition:

- A gift given for nonbusiness purpose and motivated by a close personal friendship and not by the position of the employee, and specifically authorized and defined by the Ethics Commission;
- Informational materials in the form of books, articles, periodicals, other written materials, audiotapes, videotapes, or other forms of communication;
- Sample merchandise, promotional items, and appreciation tokens if they are routinely given to customers, suppliers or potential customers or suppliers in the ordinary course of business;
- Unsolicited tokens or awards of appreciation, honorary degrees, or bona fide awards in recognition of public service in the form of a plaque, trophy, desk item, wall memento, and similar items, provided that any such item shall not be in a form which can readily be converted to cash;
- Benefits resulting from business, employment, or other outside activities of the employee or the employee's immediate family, if such benefits are customarily provided to others in similar circumstances and are not enhanced due to the status of the employee;
- Opportunities and benefits made available to all members of an appropriate class of the general public, including but not limited to, discounts afforded to the general public or prizes and awards given out in public contests;
- Expenses of out-of-state travel, if such expenses are paid for or reimbursed by a governmental entity or an established and recognized organization of elected or appointed state government officials;